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HISTORY

OF THE

FEDERAL LAND GRANT

OF JULY 2, 1862

TO

CORNELL UNIVERSITY

Ha day, Samuel Dumont.

History of the Agricultural College Land Grant Act of July 2, 1862.

DEVOTED LARGELY TO THE HISTORY OF THE "LAND SCRIP" WHICH UNDER THAT GRANT WAS ALLOTTED TO THE STATE OF NEW YORK AND AFTERWARDS GIVEN TO CORNELL UNIVERSITY.



1905:
ITHACA DEMOCRAT PRESS
Ithaca, N. Y.

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L. C.

REPORT.

To The Board of Trustees of Cornell University:

At a meeting of this Board held October 24, 1903, the Chairman of the Land Committee was requested "to prepare and present to this Board" a History of the College Land Grant of 1862. It was soon discovered that to make a complete history as requested would involve a great deal of investigation and research. In pursuance of authority afterwards given, Mr. A. B. Zerns, a recent graduate of Cornell, was employed to make that research.

Every letter, telegram, contract, memorandum or other document in the office of the Comptroller of the State of New York relating to the "Land Scrip" was read and examined by him and the results of his researches were very carefully and very accurately collated. A similar research was made in the Treasurer's office and in the Library. All available literature of every nature was also examined and interesting information compiled. Largely from the mass of material thus collected, this History has been prepared.

E. L. Williams, originally as clerk in the Business Office, afterwards as Secretary of the Land Committee and Treasurer of the University, became very familiar with the management of the socalled Western Lands. In fact, it may be justly said that much of the success of the Land Committee, particularly since the death of Henry W. Sage, is due to the thorough knowledge of the lands, the executive ability and the sound judgment possessed by E. L. Williams, its Secretary. The

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parts of this history relating to that management were specially prepared and written by him. From memory he was also able to furnish interesting events and incidents which naturally would not go into the records, but, if not now recorded, would soon be lost forever.

An effort has been made to briefly trace the events leading up to the enactment of the act of 1862. Then follows, among other things, a narration of the efforts of Ezra Cornell to secure this fund for Cornell University. A more particular history of the management of the scrip by the State and afterwards of the lands, first by Ezra Cornell and subsequently by the University itself, is finally given.

Hoping that this History will be found to be accurate, it is now "presented to this Board" as requested.

Dated, Cornell University, Ithaca, N. Y., Oct. 28th, 1905.

S. D. HALLIDAY,

Chairman of the Land Committee.

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History of the Agricultural College Land Grant Act of July 2, 1862,

Devoted largely to the history of the "Land Scrip," which under that grant was allotted to the State of New York and afterwards given to Cornell University.

PASSAGE OF LAND GRANT ACT OF 1862.

On Dec. 14, 1857, Mr. Morrill of Vermont introduced a bill into the House of Representatives, "Donating public lands to the several states which may provide colleges for the benefit of agriculture and the mechanic arts." The bill granted to each state, for the maintenance of such schools, 20,000 acres of public land for each Senator and Representative in Congress to which the state was entitled. If these lands could be located within the state itself, then actual grants were to be made. If, however, the state contained no such lands within its borders, it was to receive an equivalent amount of land scrip or land certificates, which could then be sold and the specified amount of land located by the purchaser upon unoccupied government land within other states. As in the later bill, no state could itself locate land scrip within the borders of another state. The whole measure was practically identical with the Land Grant Act which was passed in 1862.

The bill encountered considerable opposition in both houses, particularly from the Southern members but, after several

unsuccessful attempts, was finally passed and sent to President Buchanan for his signature. The President, however, returned the bill on Feb. 24, 1859 with his veto and a message giving at length his reasons for so doing. His opposition seemed to be based chiefly upon the ground that the bill was unconstitutional and that it "intermingled national and state affairs in a pernicious manner." An attempt was made in the House to pass the bill over his veto but failed.

A change of administration soon afterward took place, and on Dec. 16, 1861, Mr. Morrill introduced into the House a bill drawn upon the same lines as the earlier measure. Some of the arguments which Mr. Morrill used in support of these bills may be of interest. First he laid great emphasis upon the extraordinary interest manifested in all parts of the country, as was indicated by a large number of petitions for such a measure, which had been received from states, societies, and individuals. He next showed how little had been done by the government in aid of agriculture, as compared with the important measures which had been taken in behalf of other forms of industry. Finally, he demonstrated that agriculture is the fundamental basis of a country's prosperity and that, if agriculture is not intelligently carried on, the welfare of the whole country is endangered.

This second bill was referred to the Committee on Public Lands. "While it was held in this Committee, the majority of which were hostile to the measure, Senator Wade of Ohio was asked by Mr. Morrill to introduce the bill into the Senate and on May 5, 1862, a bill identical with the House bill was introduced by him and referred to the Senate Committee on Public Lands, who reported it back with an amendment May 16, 1862. The bill was considered from time to time, and finally passed the Senate June 10, 1862, and the House of Representatives, without reference to committee, June 17, 1862." It is important to note, in this connection, that the Southern representatives, from whom had come most of the

opposition to the previous bill, were no longer in Congress. President Lincoln had already promised, before his election, that he would sign the bill if it came before him; accordingly the measure received his signature on July 2, 1862, and became a law.

The full title of the act is "An Act donating public lands to the several States and Territories which may provide colleges for the benefit of agriculture and the mechanic arts." To each state was granted 30,000 acres of public land for each Senator and Representative in Congress to which the state was entitled under the census of 1860. States having a sufficient amount of public lands within their borders, "subject to sale at private entry" at $1.25 an acre, could locate their share of the grant upon these lands. Other states could not locate their lands at all, but received, instead of the lands themselves, a corresponding amount of land scrip. This scrip could then be sold and the proceeds devoted to the purposes of the act. The purchasers of the scrip could locate on any of the unappropriated lands of the United States "subject to sale at private entry at $1.25 an acre or less," with the restriction that not more than 1,000,000 acres of land should be located in any one state, and that no mineral lands could be selected in any state.

All money derived from the sale of land or scrip was to be invested in stocks of the United States, stocks of the states, or in some other safe stocks, paying not less than 5 per cent upon their par value. The capital of this fund could not be spent, it must "remain forever undiminished;" all of the interest upon the fund is appropriated "to the endowment, support, and maintenance of at least one college where the leading object shall be, without excluding other scientific and classical studies, and including military tactics, to teach such branches of learning as are related to agriculture and the mechanic arts, in such manner as the legislatures of the States may respectively prescribe, in order to promote the liberal

and practical education of the industrial classes, in the several pursuits and professions of life."

None of the interest upon this fund could be used for the purchase or erection of buildings, but "a sum, not exceeding ten per centum upon the amount received by any state under the provisions of this act, may be expended for the purchase of lands for sites or experimental farms whenever authorized by the respective legislatures of said States." A number of details are provided for in this act, which do not concern us here, but it should be noted that all the expenses of the management of the scrip must be borne by the State, and that if any portion of the fund or the interest should be lost the State must itself make up the deficiency. In order to receive the benefits of the act, a State must accept the conditions through its legislature, within two years, and must provide within five years a college answering the requirements laid down in the act. If the State does not provide a college complying with these requirements, it must pay back to the United States the amount of the scrip previously received.

APPROPRIATION OF NEW YORK STATE'S SHARE OF PROCEEDS.

By an act passed May 5, 1863, New York State formally accepted the conditions of the Land Grant Act and authorized the Comptroller to receive the scrip and dispose of it as provided in the act. The question then arose as to what institution or institutions should receive the benefit of the proceeds. Although there were a number of small colleges in the state, all desirous of receiving a share of the grant, it soon became apparent that the real contest lay between two institutions, the State Agricultural College at Ovid, and the People's College at Havana. In general it may be said that

the former represented the agricultural interests of the state, while the latter represented the mechanical.

The State Agricultural College at Ovid was the result of a movement among the agriculturalists of the State. For many years those interested in agriculture, and more particularly the New York State Agricultural Society, had been endeavoring to establish such a college. In 1836, they had so far succeeded as to obtain a charter from the legislature and an attempt was made to locate the college near Albany, but the whole matter failed because of lack of funds. Efforts in this direction were continued, however, and in 1853 an act was passed, incorporating the "New York State Agricultural College," and providing that the state should loan the college $40,000 for twenty-one years without interest, as soon as an equal amount should be raised by subscriptions. An attempt to locate the college at Fayette having failed, it was finally determined to establish the institution at Ovid, whose citizens pledged themselves to raise the necessary $40,000. On March 31, 1856, the legislature authorized the loan of $40,000, taking a mortgage for twenty years, without interest, upon the college buildings as security. The corner stone of the main building was laid on July 7, 1859, and the college opened in Dec., 1860.

The college was intended for instruction in agriculture and for nothing more. Accordingly, although both the practical and scientific aspects of agriculture were taught, no instruction whatever was given in languages or similar subjects. Several prominent men were connected with the institution, among them Ezra Cornell, who was one of the trustees, but the college itself had only a short existence. Its president, Brig. Gen. M. R. Patrick, was a West Point graduate and at the opening of the Civil War he was called to Albany to assist in raising troops, thus necessitating the closing of the college. The intention at the time was that it should soon be reopened, but the fact that a large number of its students had

enlisted and that it was without funds of any kind, made this impossible, and the college never resumed its work. In 1863 the college had been closed for two years.

The mechanical interests of the state were represented by the People's College at Havana. This college or technical school was the result of what was known as the "Mechanics' Mutual Protection," an association which had been formed in 1843 by mechanics for the purpose of raising themselves to their "true position in society." Originally the plan seems not to have embodied the idea of a technical school, but rather the general diffusion of scientific and practical knowledge in other ways. The establishment of a school of technology was first suggested in 1848-49 by Mr. Harrison Howard, an influential member of the association, and afterwards one of the chief promoters of the People's College.

Mr. Howard's scheme called for the foundation of a school where mechanics could get such instruction as they needed, without the necessity of so much preliminary study which was required in other colleges and which was thought to be useless. It was felt that none of the established colleges met the requirements and that a new institution must be founded. At first the project met with little favor, but Mr. Howard persisted in his efforts with the result that on August 15, 1851, an association was formed at Lockport for the purpose of furthering the establishment of a mechanical college. Many prominent men were members of the association, among whom were William H. Seward, Martin Van Buren, and Horace Greeley. Mr. Howard was the secretary.

This new association was closely connected with the Mechanics' Mutual Protection, and the combined strength of the two must have been considerable. Before the election of 1852 circulars were sent to all candidates for the Legislature and Governorship, asking for their support for the college and those who refused were, in many cases, defeated. As a result of these efforts a charter was granted to the college in 1853.

The Prospectus of the People's College, issued in 1852, in advance of its charter, shows that the institution was expected to cover a broad range of studies. "Its distinctive aim shall be the dissemination of Practical Science, including Chemistry, Geology, Mineralogy, and those sciences most immediately and vitally essential to agriculture and the Useful Arts, although instruction in the classics shall be amply provided." The difference between the purpose of this institution and that of the State Agricultural College should be noted. The latter confines its instruction entirely to agriculture; the former is much broader and includes not only agriculture and "the various branches of Manufactures and the Mechanic Arts," but the Classics as well. The original purpose of the college was to be constantly kept in mind, however, by the provision that all students were to be required to engage in manual labor for parts of five days in the week.

For several years after the charter was obtained nothing definite was accomplished, but in 1857 the decision was made to locate the college at Havana. This was due to the efforts of Mr. Charles Cook, a resident of that place, who held out many inducements and promised financial support if it were located there. In the same year the Rev. Amos Brown, who had been instrumental in the foundation of the State Agricultural College, was elected president of the People's College, and Mr. Cook was chosen chairman of the Executive Committee. On Sept. 2, 1858, the corner stone of the main building was laid with elaborate ceremonies, in the presence of a large number of people. President Mark Hopkins of Williams College was the principal speaker, and addresses were also delivered by Horace Greeley and others.

After this auspicious beginning little seems to have been done for the next few years, except in attempts to get legislative aid. The Morrill Bill was before Congress at this time and several supporters of the People's College, including Mr.

Cook and President Brown, went to Washington and exerted their influence in behalf of the measure, the latter being particularly active and working under the personal direction of Mr. Morrill. Several United States Senators have since expressed the opinion that the passage of the Morrill Act was largely due to this work on the part of Mr. Brown.

As soon as the Act had been passed, the promoters of the People's College transferred their activity to the state and began to exert all their influence to secure the New York State share of the grant for their institution. The other colleges of the state likewise put in their claims and the People's College encountered strong opposition, its most formidable competitor being, as has been said, the State Agricultural College, at Ovid. Largely through the influence of Mr. Cook, who was State Senator at the time, the People's College was victorious and was awarded the whole of the proceeds of the grant. An outburst of protest on the part of the friends of the Agricultural College immediately followed. The advocates of this college, although it had been open only one year and had been closed for two years, considered that it was more entitled to the appropriation than was an institution which had never opened its doors at all. There were many complaints that the award had been made in opposition to the wishes of the classes most interested, that it had been secured through a political trick on the part of Mr. Cook, and that the other college had been unjustly deprived of its rights.

The political shrewdness and influence of Mr. Cook undoubtedly were important factors in securing the grant, but it is hardly fair to assume that there were no other reasons for the award. The prospects of the People's College were much brighter than their rivals, the former having received promise of financial support from Mr. Cook, while the latter had been forced to remain closed because of lack of

funds. This and the fact that the People's College was much broader in scope and was intended to give instruction, not only in agriculture, but also in the Mechanic Arts and the Classics, while the State Agricultural College was to confine its attention entirely to agriculture, are considerations which may well have had weight in determining the award.

The whole matter was thought to be finally settled by an act of the legislature passed May 14, 1863. This act appropriated the entire proceeds of the land grant to the People's College, but set certain requirements, which that institution must comply with, and which the Regents of the University of the State of New York must certify to, before the college could receive any of the money.

These requirements were hardly more than were necessary to comply with the provisions of the Morrill Act. Before becoming entitled to the proceeds of the grant, the trustees of the college must have on hand ten competent professors to give instruction in branches relating to agriculture, the mechanic arts, and military tactics; they must own and have paid for without encumbrance, college grounds and buildings suitable for two hundred and fifty students, a library, scientific apparatus, and cabinet of natural history, a suitable farm of two hundred acres, equipped with stock and implements, and suitable shops and machinery for teaching the mechanic arts. Three years were allowed the trustees within which to meet these conditions.

Under such circumstances the future of the institution looked bright. But an unforseen difficulty arose. Mr. Cook, the principal financial supporter of the college, suffered a stroke of paralysis, which so changed his whole nature that he absolutely refused to advance any more money to the institution. The college had been located at Havana, and had received the state appropriation largely with the expectation that the support of Mr. Cook would place it on a sound financial basis. After Mr. Cook's change of attitude, a feel-

ing of dissatisfaction gradually arose among many of the strongest supporters of the college, and the belief became prevalent that it would never be able to comply with the requirements laid down by the state legislature.

About this time Mr. Ezra Cornell who, as a trustee of the Agricultural College, took a deep interest in educational matters, started a movement to unite the friends of the People's College and the State Agricultural College, and to "make up a fund sufficient to purchase all the scrip of the State and locate it for the benefit of both colleges, entering into an agreement for an equal division of the profits to arise from the transaction between the two colleges at Havana and Ovid." Mr. Cornell offered to supply a tenth of the funds necessary to accomplish this purpose, but neither Mr. Cook nor any of the friends of either institution would join him in such a project. The incident is of interest, however, in showing that Mr. Cornell had already conceived the idea of purchasing the scrip, which he afterwards carried out so successfully in behalf of Cornell University.

Unsuccessful in his endeavor to unite the forces of the two colleges and believing that the People's College would never be in a position to avail itself of the grant, Mr. Cornell, in the winter of 1864, introduced a bill in the State Legislature to divide the land grant fund between the People's College and the State Agricultural College. The measure encountered the opposition of Senator Andrew D. White, who was unwilling that the fund should be divided, and the bill was defeated, chiefly by his efforts.

In the following summer, at a meeting of the State Agricultural Society at Rochester Mr. Cornell, who was President of that Society, offered to give an additional $300,000 to the Agricultural College, if one-half of the land grant, equal to an income of $30,000 a year, could be secured. The estimated value of the land grant at that time was $600,000, so Mr. Cornell thought that by this offer he would obviate the objection

of dividing the fund. The offer was received with enthusi asm by most of those present but Mr. White, who had been invited by Mr. Cornell to attend the meeting, absolutely refused to agree to any division of the funds whatever, probably thinking that the estimate of $600,000 was too low. Mr. White offered, however, to use all his influence in support of the measure, if Mr. Cornell would ask for the whole of the grant instead of only half of it, and would add to it the $300,000. Mr. Cornell evidently gave this plan serious consideration, for the next fall he proposed to Mr. White to ask for the whole of the grant for the purpose of founding a new institution, and to give $500,000 instead of $300,000 if this grant could be secured. Mr. White then joined enthusiastically into the project and, in conference with Charles J. Folger of Geneva, the charter of Cornell University was drawn up.

But the fact that Mr. Cornell and Mr. White had joined forces did not mean that the success of the new university was assured. Many difficulties remained to be encountered. The time allowed to the People's College within which to meet the requirements of the legislature had still a year to run and the appropriation could hardly be taken from it if there was any prospect that the college would comply with these conditions. It was generally known that such was not the case but, in order to have official information upon the subject, a resolution was passed by the New York Senate on Feb. 4, 1865, requesting the Board of Regents to investigate the People's College and report whether the college was likely to be in a condition to avail itself of the fund within the prescribed time.

In answer to this inquiry the Regents reported, on Feb. 14, that they had investigated the college and that, although the college buildings were excellent and well adapted to their purpose, the requirements had not been complied with, the buildings would accommodate only one hundred and

fifty students, instead of two hundred and fifty as was required; there were only five professors instead of ten; instruction was being given only in the preparatory course; and no library, scientific apparatus, shops, machinery, farm or stock had been provided. It was clear that sufficient progress was not being made, and under such circumstances there would seemingly be no injustice in appropriating the fund to another institution which would properly comply with the requirements.

The bill incorporating Cornell University and appropriating to it the income of the land grant fund had already been introduced on Feb. 7, 1865, and encountered tremendous opposition. Now that the subject of the award was again taken up each of the denominational colleges tried to obtain a share of the proceeds and they succeeded in stirring up a religious sentiment against the act, on account of the proposed non-sectarian character of the new university. The representative of the denominational colleges and those of the People's College joined forces to fight against the new institution. Traces of this opposition may be found in the charter itself, especially in the case of the two most formidable antagonists, the People's College and the Genesee College at Lima.

The supporters of the People's College were naturally unwilling to allow the fund to be taken away from them and succeeded in bringing considerable strength to bear against the measure. This opposition, however, came from Mr. Cook and those who were at that time associated with him in the management of the college rather than from its original promoters. Most of the latter, including Mr. Harrison Howard, who had been very active in the organization of the People's College, had lost all hope in that institution and, far from being opposed to the change, favored it as the best method of carrying out their original idea.

But Mr. Cook and those who remained opposed to such a change were still powerful enough to control a large part of the legislature, and were particularly strong in the Assembly. Although not strong enough to defeat the bill, they succeeded in inserting a clause giving the People's College another chance to retain possession of the fund. It had been estimated by the Regents that $186,500 would be the sum which would be sufficient to insure compliance with the requirements of the law making the appropriation to the college. Accordingly a clause was inserted in the charter of the new university, providing that if the trustees of the People's College should deposit the sum of $185,000 within three months, then that college should retain the whole of the grant. From one point of view this action cannot be regarded as giving more than a fair chance to the old institution.

Far more unjust was the demand of Genesee College of Lima, a small denominational college which was afterward transferred to Syracuse and absorbed by Syracuse University. This institution insisted that it was entitled to a share in the land grant fund and demanded that $25,000 of that fund should be paid to it. Advocates of the new university opposed this on the ground that if Genesee College were given a part, a precedent would be established, the other denominational colleges would demand and secure parts of the fund, the whole fund would be broken up into a number of small portions, and the entire purpose of the act, which was to keep the fund intact, would be defeated. The friends of the Genesee College then demanded, as the alternative, that Mr. Cornell should agree to pay that institution $25,000 out of his own money.

Mr. Cornell absolutely refused to resort to any such expedient of buying off his opponents, and insisted that he would agree to no conditions which were not in the bill itself. The representatives of the People's College were undaunted and were strong enough to succeed in inserting into the bill

a clause that Mr. Cornell must pay to their college the sum of $25,000, to establish a professorship of agricultural chemistry, before being allowed to give $500,000 to the new university, and thus securing to it the proceeds of the grant. Mr. Cornell was compelled to submit to this extortion. To the credit of the legislature, it should be said, that they later offered to repay the money to Mr. Cornell, and upon his refusal to accept it, voted the sum to Cornell University on Mar. 28, 1867.

Opposition in the Assembly was much stronger than in the Senate. The opponents of the measure did not confine their attention to merely asserting their own claims, but loudly attacked the motives and character of Mr. Cornell. Especially was this true in a hearing before the Assembly committee to which the bill had been referred, in which a lawyer, who had been hired by Mr. Cook, denounced Mr. Cornell as "seeking to erect a monument to himself" and "planning to rob the state." The committee itself refused to report the bill and a two-thirds vote of the House was required to take it from the committee. Hard work on the part of the friends of the measure in the legislature, together with the support of the most influential of the New York editors, such as Horace Greeley of the Tribune, Erastus Brooks of the Express, and Manton Marble of the World, finally forced the bill through the Assembly. The fight in the Senate, although determined, was not as severe, and the act passed both houses and was signed by the governor, becoming a law on April 27, 1865.

This act was known as "An Act to establish the Cornell University, and to appropriate to it the income of the sale of public lands granted to this State by Congress, on the second day of July, 1862; also to restrain the operation of chapter 511 of laws of 1863." The object of the university is stated in practically the same terms as in the Land Grant Act of 1862, namely, to provide instruction in agriculture and the mechanic arts, not excluding classical studies, and including military tactics, "in order to promote the liberal and prac-

tical education of the industrial classes in the several pursuits and professions in life." Such other branches of knowledge were to be taught as were determined by the trustees. Many details of the organization of the University were also laid down.

The entire income from the investment of the proceeds of the sale of land scrip was appropriated to the trustees of Cornell University, to be used by them as provided in the act of Congress. Before any payment was to be made, however, the trustees must satisfy the Comptroller that $500,000 had been given to the University by Ezra Cornell. There were also the provisions, already referred to, that Mr. Cornell must pay $25,000 to Genesee College within six months; and that the People's College was to have three months within which to deposit the required sum and so reserve the grant for themselves. To become finally and absolutely entitled to the money Cornell University must meet the requirements of the act within two years.

Even after the bill had been passed, there still remained the danger that the People's College would deposit the required $185,000 within the specified three months and thus retain possession of the fund. That institution, however, was apparently unable to raise the money, and on Aug. 28, 1865 the Secretary of the University of the State of New York certified that no such deposit had been made. The conditions of the appropriation of the land grant had already been accepted by the Trustees of Cornell University, at their first meeting, held in Albany on April 28, 1865. A certificate by the Treasurer of Cornell University of the receipt of $500,000 from Ezra Cornell on Oct. 21, 1865, and a similar certificate that the $25,000 had been paid to Genesee College, showed that the requirements laid down in the charter had been complied with, and that Cornell University had become entitled to the proceeds from the land grant fund.

STATE MANAGEMENT OF SCRIP UP TO PURCHASE BY MR. CORNELL.

Reckoning upon the basis of 30,000 acres of land for each Senator and Representative in Congress to which the state was entitled under the census of 1860, New York should have received 990,000 acres as her share of the Land Grant Act of 1862. As a matter of fact, the amount which New York State actually received was 989,920 acres, in 6,187 pieces of 160 acres each, the loss of 80 acres being due to the fact that no piece was issued by the government for less than 160 acres. The total number of acres given to all the states by this grant was 9,597,840, so it will be seen that New York State received over one-tenth of the whole.

New York State, not having public lands within her own boundaries which could be granted to her, received, in their place, land scrip to an equal amount. Each certificate of scrip authorized the selection of 160 acres of land from unappropriated public lands of the United States. By the terms of the Land Grant Act, no state was allowed to locate lands within the limits of any other state, although a private person might do so. Hence states which had no public lands within their boundaries could locate no lands at all; their only means of realizing upon the grant was to sell the scrip.

Nearly all of the eastern states were thus situated, and as most of them desired to realize upon the land grant immediately, the consequence was that the scrip was sold in large quantities to speculators, the market became flooded, and its value rapidly declined. The nominal price of the scrip, at the time of the passage of the act, was $1.25 an acre, but under such conditions its value decreased until its market price was soon only 60 cents an acre and in many cases sales were made for even less than that amount.

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New York State received its scrip some time during the year 1863. The next year the Comptroller, under directions from the legislature, advertised the scrip for sale at 85 cents per acre. In a few months 475 pieces, amounting to 76,000 acres, had been sold at this price, "except that upon the first parcel of fifty pieces sold a rebate of two cents was allowed, in consideration of certain advantages offered in the matter of advertising in the Northwestern States." Thus 8,000 acres were sold at 83 cents and 68,000 acres at 85 cents, the whole sum amounting to $64,440, which was immediately put on deposit at 3 per cent. interest.

But these sales soon entirely ceased, in consequence of other states having reduced their price to a much lower rate. As the Comptroller says in his report for 1865, "It therefore becomes an important question whether the price should also be reduced here and sacrifices made to insure sales, or the land be held as the best security for the fund until the sales can be made at fair rates." Under one alternative, only a comparatively small sum would be received from the lands; under the other alternative nothing at all would be realized for some years. A consideration which may have had some weight in determining the proper course to pursue was that an even greater sacrifice would have been involved if New York State had thrown its one-tenth upon the already overcrowded market. Apparently nothing of the sort was done, for no sales at all were made during the year ending September 30, 1865.

In the meantime Cornell University had been chartered and Mr. Cornell began to consider the ways in which the largest possible amount might be realized from the grant, devoting considerable time during the summer to the discussion of the problem. It soon became apparent to him that the lands would increase greatly in value if they could be held until the scrip then upon the market had been disposed of; and he came to the conclusion that the best solution of

the difficulty would be for him to purchase it himself, locate it, sell the located lands, and devote the entire proceeds to Cornell University. Although the state itself could not locate lands, there was, of course, no objection to a private individual doing so. In this way the University would receive some immediate returns from the lands without losing the prospect of ultimately realizing a much larger profit.

Acting upon this principle, Mr. Cornell purchased on November 24, 1865, 100,000 acres of scrip for $50,000. The market price of the scrip at that time was 60 cents an acre, but it was felt that this reduction was no more than fair on account of the obligations which Mr. Cornell was taking upon himself for the benefit of the University. He was required to give a bond, properly secured, that all the profits which should be derived from the transaction would be given to Cornell University.

This purchase was merely the beginning of Mr. Cornell's policy. On April 10, 1866, the state legislature passed "An Act to authorize and facilitate the early disposition by the comptroller of the lands or land scrip donated to this state by the United States." The comptroller was authorized to sell scrip at not less than 30 cents an acre to the trustees of Cornell University, or, in case they did not purchase, to anyone who would comply with the required conditions. These conditions were that proper security must be given that the whole net profits from the sale of the lands should be paid to Cornell University, and that annual reports should be made to the comptroller.

Since the trustees of the University were not in a position to make the purchase, an agreement was entered into between the Commissioners of the Land Office and Ezra Cornell on August 4, 1866, whereby Mr. Cornell was to take the remaining 5,087 certificates of 160 acres each at 30 cents an acre and comply with the requirements of the

contract. The full amount of the purchase price was to be paid in money, or safe bonds and stocks at not less than 5 per cent. In addition, stocks and bonds to the amount of a second 30 cents per acre must be deposited as securities for carrying out the terms of the contract. The interests of the state were further safeguarded by requiring that complete information regarding the location and sale of the lands must be given by Mr. Cornell to the Board of Commissioners of the Land Office. Within sixty days of the location of a piece of land the Board of Commissioners was to fix the minimum price at which each quarter section might be sold; thus no land could be disposed of at a lower price than was fixed by the state. The whole of the net profits, which were to be ascertained by deducting the original cost of 30 cents per acre and the expenses of location and sale from the gross receipts, were to be paid into the Treasury of the State.

All of these profits were to be applied to the use of Cornell University, but the money was to be divided into two funds. A part of the net profits equal to 30 cents per acre was to be added to the fund which had already been started, composed of the proceeds of sales of land already made and known as the "College Land Scrip Fund." This fund represented the money actually received by the State from its sale of the scrip. The purpose of having an additional 30 cents per acre paid into this fund was in order to make the amount received for the scrip which had been sold to Ezra Cornell for 30 cents an acre, equal the market value of the scrip at the time of sale, which was 60 cents an acre. Thus the "College Land Scrip Fund" represented the amount which would have been realized if the scrip had been sold by the State at its market price. In other words, it represented the proceeds derived from the sale of the scrip, under the management of the state.

The remainder of the receipts from the sale of these lands was to constitute a separate fund, known as the "Cornell Endowment Fund." This fund represented the profits over and above the 60 cents an acre realized by the State, and was understood to be a gift to the University from Ezra Cornell, it being the amount which his management had added to the original selling price of the scrip. The size of this fund would, of course, depend altogether upon Mr. Cornell's skill in managing the lands and not, in any way, upon the State. It was to be kept entirely distinct from the other fund, although the State was to have charge of the principal and was to appropriate the income annually to the University, as in the case of the other fund.

The difference between the two funds was stated to be that no portion of the College Land Scrip Fund could be used for the purchase, erection or maintenance of buildings, while the Cornell Endowment Fund could be used in any way the trustees desired. The exact status of the latter fund became a matter of great importance later in connection with the Fiske suit.

In his agreement Mr. Cornell bound himself to purchase the whole of the remaining scrip, to locate the lands within four years, and to sell all the lands within twenty years. Whenever Mr. Cornell located a piece of land he was required to immediately execute a mortgage upon it to the State of New York, as security that he would live up to his agreement.

The agreement of August 4, 1866, was modified somewhat by the Commissioners of the Land Office on September 18, 1866, by the adoption of the following resolution: Resolved, That in order to facilitate the location of the Land Scrip contracted to be sold to Hon. Ezra Cornell, the Comptroller is authorized to receive an assignment of land certificates —— to the extent of 100,000 acres, to be held temporarily in lieu of a mortgage thereon, and as and for a mortgage, until

patents can be obtained therefor, and the same may be mortgaged by said Cornell, as provided by his agreement. On May 15, 1867, this modification was extended to cover another 100,000 acres, but, with these exceptions, the management of the lands was conducted by Mr. Cornell as provided in the terms of the agreement of August 4, 1866.

In a letter written to the Comptroller a couple of months prior to the agreement (June 9, 1866) Mr. Cornell gave an interesting estimate of what the total endowment of the University should amount to. Comparison with the amount finally realized by New York State from its share of the scrip will show how conservative were Mr. Cornell's predictions. His estimate is as follows:

First.

The amount in the treasury of the State from former sales is	$114,000	
The amount to be realized from the sale of 800,000 acres of scrip at 30 cents per acre	240,000	
The amount of profits equal to 30 cents per acre on 800,000 acres, to bring the College Land Scrip Fund up to the market value of the scrip	240,000	
Total amount of College Land Scrip Fund		$594,000

Second.

A fund to be realized from the balance of profits which are expected to arise from the sale of lands located with the 800,000 acres of scrip, after paying the above 30 cents per acre, estimated to be two dollars per acre		1,600,000

Third.

The fund donated by Ezra Cornell to meet the requirements of the act of the Legislature, Chap. 585, laws of 1865	500,000	
The amount of profits in 100,000 acres of land already entered ($2.50 per acre)	250,000	
		750,000
Total endowment		$2,944,000

Previous to the agreement of August 4, 1866, 1,100 pieces out of the total grant of 6,187 pieces of scrip had been disposed of; 475 pieces had been sold to parties other than Mr. Cornell before he had formulated his plans; while 625 pieces had been purchased by Mr. Cornell under a former arrangement. By this agreement Mr. Cornell purchased the remaining 5,087 pieces. Thus in all Mr. Cornell purchased 5,712 out of the 6,187 pieces which the State received under the land grant, or 913,920 out of the 989,920 acres.

MANAGEMENT OF SCRIP AND LANDS BY MR. CORNELL.

Mr. Cornell's first idea had been that the trustees of the University should buy the New York land scrip with the money which he had furnished them and locate the lands for the University. The trustees, however, were either unwilling or unable to do so, and he had been forced to proceed with the plan himself.

Records show that from the time of the agreement of August, 1866, up to the end of the year 1867, Mr. Cornell had received from the Comptroller 2,700 pieces of scrip, amounting to 432,000 acres. Previous to this time he had purchased 625 pieces, representing 100,000 acres. Thus scrip to the amount of 532,000 acres had been purchased by him from the Comptroller. 6,080 acres were sold in the form of scrip by the western agent; most of the remainder was located by Mr. Cornell and his agents within a short time, 3,974.93 acres being located in Kansas, 7,968.27 acres in Minnesota, and the remainder in Wisconsin. Of the large part located in Wisconsin, 400,000 acres were timber lands, the rest were farming lands. All of these lands were carefully examined by agents before being selected, with a view to obtaining only the best. This involved an enormous expense, and when Mr. Cornell transferred the lands to the

University in 1874 it was found that the expense which he had been obliged to meet exceeded the receipts from sales by the sum of $573,854.72.

During the first part of the year 1867 the trustees of the University began to be desirous of immediately realizing some profits from the lands, and it was also advisable that measures should be taken to relieve Mr. Cornell from the financial strain involved in continually meeting the expenses of location and management. But a sale of the scrip, or, even a sale of the located lands, would bring but a comparatively small amount of money and would involve a tremendous sacrifice, since only a small part of the land grant scrip had been sold and each State was desirous of disposing of its share. Scrip was being quoted at an extremely low rate, and hardly any sales were reported.

It was estimated that if the New York scrip were put on the market at this time it would hardly be likely to bring more than 25 cents an acre. To obtain any reasonable profit at all, the lands must be located and held for a rise in price. At this point Mr. Cornell conceived the idea of realizing a larger immediate profit by means of the organization of the "New York Lumber, Manufacturing and Improvement Company."

This company was incorporated on April 23, 1867, in the name of Ezra Cornell, Hiram Sibley, Theodore S. Faxon, Charles F. Wells and William A. Woodward. Its object is stated to be "the purchase, improvement and sale of timber and other lands, the manufacture and sale of lumber, the improvement of a town site and water power and the sale, renting and leasing thereof in the State of Wisconsin." One hundred thousand acres of land were to be sold to the company at $5.00 an acre. This $500,000 would relieve Mr. Cornell from the necessity of furnishing money to defray the expenses of the lands, and would relieve the University of the embarrassment arising from its lack of funds, as well as tend to assure the trustees that Mr. Cornell's plan of hold-

ing the rest of the lands was advisable. But the company also had another purpose; it was to be instrumental in building up and developing the country, thus bringing out new settlers and increasing the value of the lands which remained in Mr. Cornell's possession.

The plans of the company called for the establishment of a town and the site chosen was at a place known as Brunette Falls, on the Chippewa River, about thirty miles from Eau Claire. It was here that the village of Cornell was to be established. The Prospectus represents it as in the center of the richest pine county in the world, and as having unexcelled natural advantages. The chief profit of the company was to be derived from the cutting of timber and its sale, but after the timber had been cut the land was to be sold for farming purposes, for which it was said to be exceptionally well adapted. Profits were also to be derived from the manufacture of various articles from wood, and from the increase in value of the lands in the surrounding country, all of which were to be owned by the company.

How well this plan would have worked out was destined never to be known, for the company never came into an active existence. The stock of the company was to be $600,000, composed of shares of $100 each. Mr. Cornell at first subscribed $25,000, and later $50,000, but, although he made earnest efforts to enlist his friends in the enterprise, he was unable to get the stock taken up, and was forced to abandon the whole scheme.

About 4,000 acres of the land included in Mr. Cornell's plan for a town site, together with small water power at Brunette Falls, were withheld from sale until about three years ago, when they were sold for $55,000, all of the timber from these lands having been previously sold. The purchasers of this land and water power have established a town site at this point and named it Cornell, so that Mr. Cornell's scheme in this regard bids fair to be in part realized.

It is probable that if Mr. Cornell could have had his own way in the matter no more lands would have been sold at that time than was absolutely necessary to enable the remainder to be properly managed. The trustees of the University, however, became impatient to have the use of the money. Only about 200,000 acres had been located when they began to urge him not to locate any more lands, but, instead, to sell the scrip so that the University might have the immediate use of the funds. Notwithstanding the fact that these appeals became more and more numerous, Mr. Cornell continued to locate lands, and during the summer and fall of 1867 selected 232,000 acres more. The trustees, however, became more and more impatient, and finally, on December 1, 1867, drew up a recommendation to the Commissioners of the Land Office that Mr. Cornell's agreement be modified so as to allow him to sell the remaining 2,387 pieces of land scrip at not less than 75 cents an acre.

Several reasons were assigned why such a policy would be for the best interests of the University. In the first place, over half a million acres had already been located and this would furnish a large sum when it was sold later. It was also said that the full amount of college land scrip which could be located in Wisconsin, Michigan and Minnesota, had already been taken up, consequently any further locations of land would have to be made in States further west or southwest. This, the trustees believed, "would so divide any organization for the further sale of the lands as to affect its efficiency, and perhaps result in our not realizing any more money from the larger quantity of lands thus scattered than we should for what is already located, if our efforts were concentrated for its sale." And, finally, "the University will be opened in September, 1868, upon a scale that will require larger expenditures than our present resources will supply, and it is therefore desirable to strengthen our funds as early as we can, having due regard for the value of the scrip." As the scrip had been selling for two years at from fifty to sixty cents

per acre, the trustees believed that its sale at 75 cents an acre would not involve too much sacrifice. The Commissioners of the Land Office evidently considered these reasons of weight, for they modified the agreement accordingly upon December 18, 1867.

Mr. Cornell apparently felt bound by these instructions, for he immediately began looking around to find a purchaser for the remaining scrip. The principal dealer in college land scrip at this time was Mr. G. F. Lewis of Cleveland, Ohio. Mr. Cornell endeavored to sell him scrip at $1.00 an acre, but found this impossible because Mr. Lewis himself had scrip for sale at 60 cents an acre. Mr. Cornell then proposed a plan whereby he should coöperate with Mr. Lewis in controlling what scrip there was left on the market and concentrating it in the hands of Mr. Lewis, who was to deal it out to customers no faster than it was wanted for location. If this could be done Mr. Lewis could easily dispose of it at $1.15 an acre, since the government price was $1.25, and under such circumstances he could afford to pay Mr. Cornell $1.00 per acre for the remaining New York State scrip. As Mr. Lewis had bought a large part of his scrip for about fifty cents an acre, he would make a large profit out of the transaction, and was entirely willing to consent to such an arrangement. Mr. Cornell immediately set to work, wrote to the Governors of the States which had not already sold their scrip, explained his dealings in the matter, and asked for their coöperation. In several of these cases he was successful.

Having performed his part of the agreement, Mr. Cornell proceeded to dispose of the remaining New York State scrip to Mr. Lewis. On April 23, 1868, he sold the latter 625 pieces, or 100,000 acres, at 90 cents an acre, and 1,125 pieces or 180,000 acres at $1.00 an acre, receiving in all the sum of $270,000 for 280,000 acres. The remainder of the scrip was reserved for some people in California, who agreed to take it

at $1.00 an acre. These people, however, failed to live up to their part of the agreement and the scrip was left on Mr. Cornell's hands. In the meantime Congress had passed a law restricting the quantity of scrip which could be located in any one township to not more than three sections. The effect of this restriction was to lower the price of the scrip, and the consequence was that when Mr. Cornell finally sold the remaining 637 pieces, or 101,920 acres, to Mr. Lewis on December 15, 1869, he was able to obtain only 86 cents an acre.

The entire transaction, however, was highly satisfactory. The 2,387 pieces of scrip, representing 381,920 acres, had been sold for $357,651.20, an average price of 93 2-3 cents per acre, or 18 2-3 cents per acre higher than had been required by the Commissioners. This was notwithstanding the fact that at the time the authorization was made, the market price of the scrip was only sixty cents an acre.

The trustees of the University were apparently not satisfied with the money realized from the sale of the scrip to Mr. Lewis and continued to urge Mr. Cornell to sell the remainder of the land, so that the University might at once take advantage of the whole of the endowment. Mr. Cornell, however, adhered to his plan of holding the lands for a rise in value rather than selling them at a sacrifice. Subsequent events have justified Mr. Cornell's course and proved the value of his management.

At the time, however, there were strong reasons why the opposite plan seemed best to many of the friends of the University. The president and trustees had constantly forced upon their attention the pressing needs of the institution, and a keen realization of the dangers which a lack of funds involved. To their minds it seemed desirable and ever necessary to continue building up the University, even faster than the income permitted; it seemed far more im-

portant to get a good start than to receive a large endowment a number of years later. So keenly was this felt that they were willing and desirous to sacrifice the scrip in order to attain this end. Mr. Cornell, on the other hand, was not brought into such intimate contact with the immediate needs of the University; his work enabled him to see rather the splendid prospects for an immense future endowment. The trustees had in mind the present needs of the institution; Mr. Cornell its future prospects. Under such circumstances it was entirely natural that their opinions should differ as to the proper course to pursue.

The demands of the University, as well as the continued expense of managing the lands, made it desirable that some sales should be made, if it could be done without too much sacrifice. Another principle was involved. The future values of the lands would undoubtedly be much higher than they were at that time, but there was no prospect that the lands could be sold at any reasonable price for many years unless something were done in the meantime to bring up their value. The reason was that between these lands and the market lay a large tract of equally desirable land, which would be sufficient to meet the demand for timber for some time to come. To obtain any market at all for the Cornell lands the latter must be opened up and made more accessible. This could only be done by selling a portion of the lands themselves.

The question then arose as to whether it would be better to sell a large tract of land at lower prices or to sell picked lands at higher prices. Upon this point there was a difference of opinion between Mr. Cornell and his agent, Mr. Woodward. The latter believed that it would be advisable to sell the lands at retail at a higher price, allowing the purchasers to select the most desirable lands, rather than to sell a large area at a lower price. Mr. Cornell, on the other hand, believed there would be more profit in selling a large tract of 100,000 acres for $5.00, or even $4.00 an acre, than

in allowing selections to be made at $6.25. His idea evidently was that these selections would take up all the desirable lands and that he would be left with worthless tracts in his possession which could not be disposed of at any price and would thus involve a direct loss. By selling only in large quantities the poor lands would be sold with the good and this loss would be avoided.

Mr. Cornell was unwilling to make sales at low prices, even in large amounts, but finally yielded to the insistence of the trustees, and offered the land to a number of wealthy men, both in this and in other States. No sales were made, however, until Mr. Cornell induced Mr. McGraw and Mr. Sage to purchase a part of the land. These purchases were made more to help the University in a time of need than for any profit which could be seen in the transaction, both Mr. McGraw and Mr. Sage being among the largest early benefactors of Cornell University, and their gifts having aggregated many hundreds of thousands of dollars. Mr. Sage finally paid over to the University his share of the profits which were realized from these purchases.

The first agreement of sale was made with John McGraw and Henry W. Sage on December 14, 1870, and called for the sale of 100,000 acres of white pine timber land at $4.00 an acre. By the terms of the contract Messrs. Sage and McGraw were to decide within a given time as to which quarter of the Cornell tract they would select their lands from; they were then to take all the lands within that tract which had 320,000 feet of merchantable white pine timber to the lot of 80 acres. Lots of 80 acres which did not contain the required amount of timber were to be rejected, and the expense of their examination paid by Mr. Cornell. A sale of 50,000 acres of land at $4.00 an acre under similar conditions of selection was made to John McGraw, Thomas McGraw and Jeremiah W. Dwight on the same day. On June 23, 1871, another sale of 100,000 acres was made to John McGraw and Henry W.

Sage on the same terms, except that the price to be paid was to be $5.00 an acre instead of $4.00.

In making these agreements Mr. Cornell believed that every lot of 80 acres upon his tract would contain the required amount of white pine timber and that there would thus be no selection, this belief being based upon information furnished him by an agent. When the lands were examined by Messrs. Sage and McGraw, however, it was found that only about one-half of the land would come up to this standard, and that a large part of this half would be worth much more than the specified price. This would amount to a selection of the best lands and their sale at only $4.00 or $5.00 an acre, while the poorer lands would remain in Mr. Cornell's possession, and was precisely the result which Mr. Cornell was trying to avoid.

Negotiations were immediately begun to cancel the contracts. Both Mr. McGraw and Mr. Sage were willing to agree to what was clearly for the best interests of the University, accordingly on November 27, 1872, a contract was drawn up surrendering the two previous contracts for the purchase of 100,000 acres at $4.00 and 100,000 acres at $5.00 upon the return of the purchase money. In consideration of their generosity a new contract was drawn up, providing that 50,000 acres should be sold them at $4.00 an acre, to be selected as in the previous agreement. It was also provided that they should finish their examination of the entire tract, the expenses of this examination to be met by Mr. Cornell. Other parties were interested in the agreement of December 14, 1870, to sell 50,000 acres at $4.00 an acre and were unwilling to cancel their contracts. Thus, at the close of the arrangements, two sales of 50,000 acres each at $4.00 an acre had been made on terms that practically allowed the purchasers a selection of the lands.

ATTACKS UPON MR. CORNELL.

Throughout Mr. Cornell's connections with the management of the scrip he was on many occasions exposed to direct, personal attacks, both upon his character and his motives. The most important of these attacks was an editorial which appeared in the Rochester "Daily Union and Advertiser" on October 26, 1867. This editorial had a political purpose, being intended to influence the result of the State election, which would occur in a few days. The constitution of the State had been revised by a State convention which met for the purpose earlier in the year, and the adoption of the revised constitution was to be voted upon at the November election. In it had been inserted a new provision that the capital of the College Land Scrip Fund and the capital of the Cornell Endowment Fund were to be "preserved inviolate." It was this section which brought about the attack upon Mr. Cornell.

The Rochester Daily Union and Advertiser saw a sinister purpose behind these innocent-looking provisions. According to the editorial "these amendments are intended to cover up and perpetuate by their incorporation into the organic law one of the most stupendous jobs ever 'put up' against the rights of the agricultural and mechanical population of the state. The funds which are thus sought to be perpetuated to the Cornell University, belonging rightfully to those classes of the people, and have been wrested from them and put into the hands and management of Ezra Cornell, the founder of the Cornell University, by legislation as rotten as the worst that ever disgraced the state." Then follows a socalled "history" of the transactions, a history abounding in misstatements, in which every action is misconstrued.

The general scheme of the article seems to be that Mr. Cornell, who was a State Senator in 1865, devised a plan whereby he was to secure control of the land grant scrip, and thus

derive an immense profit for himself and his family. As an excuse or pretext for securing control and to hide his real motives, he put forward his grand scheme of founding a great university. The other colleges saw through his motives and made a strong fight against such a plan but, through corrupt means, Mr. Cornell succeeded in silencing their opposition. "It would be a waste of time and space to go into all the arts and means used to get this bill through. It is sufficient to state that no appliance commonly used to push 'jobs' through the Legislature was neglected."

In regard to the opposition of Genesee College it is stated that, although Mr. Cornell made a proposition to buy off the college, he was opposed to inserting any provision to that effect in the charter, desiring instead to "put it off with a promise." Distrust on the part of the trustees of Genesee College forced him to pay the money on the spot, but "the next winter, he being still a Senator, he got the $25,000 he paid to Genesee College back from the state by an appropriation for that purpose. Thus the people were forced to pay the money which had been used to silence opposition to the wresting of their million acres of land from them."

Mr. Cornell's management of the land grant is next taken up. The purchase of 800,000 acres of land at 30 cents an acre and the separation of the two funds are treated in such a way as to exhibit Mr. Cornell in the worst possible light. Then comes the crowning feature of the attack. "Now, it is of some importance just here to know what Mr. Cornell has done with this million acres of land. By a statement in a late number of the Ithaca Journal, Mr. Cornell's organ, it appears that Mr. Cornell has located 400,000 acres upon the choicest pine lands belonging to the government. These 400,000 acres are estimated by Mr. Cornell's organ to be worth $60 per acre, or $24,000,000. One hundred (thousand) are located as farming lands, valued by Mr. Cornell at $5.00 per acre, making $500,000. This accounts for only

half the lands and yet we find the value of this half to be $24,500,000! ———Who would not be willing to found a University under such circumstances?

"The same article from Mr. Cornell's organ, in alluding to the donation of $500,000 by Mr. Cornell himself to the University, states that the University is likely to get two millions of dollars out of these lands. That is enough, in all conscience, for any University—more than it can advantageously use for a long period, if ever. But what becomes of the $23,000,000 and over of the balance to be realized out of these lands? The answer is plain. It belongs and will go to the Cornell family. Already Mr. Cornell has been to the Legislature to secure the passage of an act incorporating a great land company of which he is chief. To the company he will sell these lands, fixing his own price, and his company will make from twenty-five to thirty millions of dollars. It can be easily seen how a man with little or no money invested, with such an enormous land fund put into his hands to manage as he sees fit, can afford to divert public attention from his real object by turning it towards a great institution of learning which he is founding. Mr. Cornell's own munificent gift of half a million exists only on paper. It has not been paid, and is only secured to the State by a pledge of Western Union Telegraph Stock. Having passed his bill and secured the fruits of the job, it required vigilant watching to keep the booty secure. Some future legislature might investigate the transaction. The people might find out how they had been plundered and attempt a recapture of some part of the stolen property. All this would be unpleasant to Mr. Cornell, so he hits on the idea of perpetuating the job by putting it in the new Constitution." The motive of the whole article then appears: an appeal to the people to refuse to adopt the new Constitution, and to defeat Horace Greeley, a trustee of the University, who was running for Comptroller, an office through which most of the land grant business was transacted.

The most of the article consisted simply in deliberate misstatements and was undoubtedly inspired by a political motive. Its main point, however, had its foundation in an absurd article which appeared in the Ithaca Journal on July 27, 1869. The article was evidently written to justify Mr. Cornell's management of the land but it contained such exaggerated statements and was worded in such a way as to arouse suspicion in even an impartial reader. A few extracts will show the source of the Rochester paper's attack.

"Now a word as to the present value of the timber on those lands (i. e. the 400,000 acres of pine lands selected) and the reader can judge for himself whether or not Mr. Cornell's action in the premises has been characterized by business judgment and sagacity.

"The quantity of timber is estimated to produce at least 10,000 feet of boards per acre as an average of the whole tract, and this is believed to be a low estimate. The market value of the logs during the last three years has exceeded all cost of getting them to market by the amount of $6.00 per thousand. This fixes a value for the timber standing on the land at $60 per acre, which multiplied by the 400,000 acres makes the enormous sum of $24,000,000, and still 100,000 acres of farm lands worth $5.00 per acre, in addition to dispose of."

Then follow a few statements as to Mr. Cornell's work in advancing the price of the scrip and the amount of land located and finally the remark that "When Mr. Cornell undertook this enterprise he explained it fully to the Trustees of the University and assured them that he could make a profit of two millions of dollars for the University—and there is little doubt but his expectations will be more than realized."

The purpose of the article was to justify Mr. Cornell's management of the scrip, but the unfortunate way in which reference is made to an anticipated profit of

$24,000,000 and the prospect that the University would receive somewhat over $2,000,000 would naturally cause even an indifferent reader to wonder what was to become of the rest of the money. The fallacy, of course, lies in the statement that the lands were worth $60 an acre. As a matter of fact, the value of timber lands in Wisconsin in 1867-68 was from $2.50 to $4.00 per acre.

Shortly afterwards Mr. Cornell replied to the attack of the Rochester Union and Advertiser in a letter to the same paper. In remarkable contrast to the editorial, Mr. Cornell's letter consisted merely in a dispassionate account of the proceedings which had taken place in regard to the land grant, but it accounted for the scrip which has passed through Mr. Cornell's hands, and effectively disproved the charges which had been made against him. Almost nothing is said in regard to the personal charges against Mr. Cornell's character and motives except in the final paragraph where he concludes: "As to the other charge of 'swindling,' 'corruption,' etc., etc., permit me to say that I have lived in this State from my birth—more than sixty years. I have had personal relations with great numbers of my fellow citizens, and official relations with all of them. To their judgment on you and me I leave your epithets of 'swindler' and 'corruptionist.'"

The culminating attack upon Mr. Cornell came several years later. Mr. Cornell's failing health led him to desire to close up his own account with the state and transfer the lands directly to the University. For this reason a bill was introduced into the lower house of the New York Legislature, on May 13, 1873, providing for a settlement between Mr. Cornell and the State. Thereupon the representative from the district in which the People's College had been located took occasion to make a bitter personal attack upon Mr. Cornell.

The charges were much the same as had been made in the Rochester Union, especial reference being made to the

alleged fact that white pine lands in Wisconsin, "which any timber merchant would purchase at $65-$75 an acre," had been sold by Mr. Cornell to an associate for the nominal price of $5.00 per acre. The purpose of the bill was said to be to compel the Comptroller to return the bond which Mr. Cornell had given, and thus free the latter from any restrictions whatever. The charges, in general, were that the Act of Congress had been violated, in that the moneys derived from the lands had been invested in securities not allowed by the act; that Ezra Cornell was using his position in regard to the lands for the purposes of private speculation and worse; that he had presented no statement of his accounts for seven years; and that the act of Congress was being violated in the fact that agriculture and the mechanic arts were not the leading branches of study at the University but that only a pretence of them was kept up. The real motive behind the accusation is found in the complaint that "moneys which properly belonged to every institution in the State were secured for Cornell University alone." In conclusion, the demand was made that a committee be appointed to investigate the charges.

In spite of the motive behind the attack and the falsity of the charges, it is evident that the speech made a deep impression. "It is scarcely necessary to say that the feeling produced in the House by Mr. McGuire's speech was most profound. The high character of the speaker, his evident familiarity with the subject he dealt with, even to the details, and the care which he took to give his authority for every statement made the strongest impression on his hearers."

On the morning of May 15 a resolution, apparently drawn up by Mr. McGuire, was offered in the Senate providing that the Comptroller, the Superintendent of Public Instruction, and the State Treasurer should constitute a commission to inquire into Cornell's management of the lands and similar matters. All of these individuals were thought to be hostile

to Mr. Cornell. On the evening of the same day Mr. Alonzo B. Cornell, who had heard nothing of the Senate resolutions, asked as a personal favor unanimous consent to offer a resolution in the House providing for the appointment of Horatio Seymour of Oneida, William G. Fargo of Erie, and Lewis G. Morris of Westchester as a committee to investigate the affairs of Cornell University and the management of the land grant. Only one objection was made, which came from Mr. McGuire, but that one objection was sufficient to defeat the resolution. This action put Mr. McGuire in a bad light and aroused the suspicion that he was not dealing fairly in the matter. Mr. Ezra Cornell had already written to the governor requesting the appointment of a commission and the matter was finally settled by allowing the members to be named by the governor.

The Commission, as appointed by the Governor, consisted of Horatio Seymour, William A. Wheeler, and John D. Van Buren, all men of national prominence, Mr. Seymour having been Governor of New York and candidate for President, while Mr. Wheeler was later elected Vice-President. Both Mr. Seymour and Mr. Van Buren were political opponents of Mr. Cornell. The commission was instructed to inquire as to whether the laws of Congress and the act of the State legislature had been complied with; to investigate the management of the timber lands; and to ascertain whether agriculture and the mechanic arts were the leading subjects taught at Cornell.

A very thorough investigation was made by the commission into all these points and a large number of witnesses were examined and their testimony carefully considered. Mr. McGuire was invited to attend all the meetings of the commission and was given every opportunity to prove his accusations. The commission reported on April 16, 1874, both majority and minority reports being submitted.

A large part of the reports consists of a history of the transactions relating to the disposal of the state land scrip, and Mr. Cornell's management of the same after it came into his hands. This has been treated elsewhere and need not be considered at this point. The majority report, signed by Mr. Wheeler and Mr. Van Buren, and the minority report, signed by Mr. Seymour, differ chiefly in their answer to the instructions to recommend "what legislation is necessary to properly secure said funds (i. e., Cornell Endowment Fund) in compliance with the act of Congress." The majority report holds that no action is necessary. The Cornell Endowment Fund is considered as a part of the proceeds from the scrip, and as legally the same as the other fund. The minority report, on the other hand, holds that the division into two funds is a violation of the Land Grant Act, inasmuch as the State is thereby indirectly locating lands within another state, through an agent. Attention is called to the fact that there is no legal way of holding Mr. Cornell to his contract. The report ends with the recommendation that immediate steps be taken to sell the remaining lands and close up the whole business.

In neither report is there any statement which reflects the slighest suspicion upon Mr. Cornell's motives or actions. The majority report states that it considers the present state of affairs satisfactory. The minority report, which recommends a change, specifically exempts Mr. Cornell from any suspicion by the statement that "it is due to Mr. Cornell to state that none of the witnesses or parties who appeared before the committee complained that he had sought to gain any pecuniary advantage to himself or his family in the management of the property under his control." The commission believed, however, that the estimates of the future value of the lands were placed too high and that "if a gain of one million can be made over and above taxes and expenses and other drawbacks, it will be a fortunate result."

An interesting portion of the report is the contention that the University does not fulfill the requirements of the act of Congress because it is devoted to general culture, rather than to "agriculture and the mechanic arts." The agricultural instruction was regarded as particularly weak and the commission reported that "Our impression is that no larger proportion of the students of Cornell University, as now organized, go in after life into agriculture, than those of other colleges." The opinion of the committee was that "the grant made by Congress was not for the benefit of men of letters, socalled, or of men who expect to live solely by mental work————If the University seeks to impart its benefits to these classes it does not carry out the purpose of Congress. It will become still more than it now is, a school for general learning which does not exclude agriculture and mechanics, rather than a school for these arts, without excluding other kinds of learning." This complaint seems to wholly overlook the fact that a large part of the funds of Cornell University were derived from other sources than the Land Grant Act.

TRANSFER OF LANDS TO UNIVERSITY.

Mr. Cornell's motives and actions having been vindicated, the subject of the transfer of the management of the lands from Mr. Cornell to the University was again considered. The first action taken by the University was on July 1, 1874, when a committee consisting of Henry W. Sage, John McGraw, Andrew D. White, George W. Schuyler and Francis M. Finch was appointed "to consider the relations existing between Ezra Cornell and the State as to lands located by him in behalf of the University, and the accounts growing out of the same, with a view to the settlement of all questions connected therewith and to consider as a part of such settlement the transfer of the unsold lands from Ezra Cornell to the University."

On October 14, 1874, a communication was made by Cornell University to the Commissioners of the Land Office, in which the University proposed "to take the place and assume the duties and obligations of Ezra Cornell, in his contracts with the State, of November, 1865, and August, 1866, accepting from him a conveyance of his entire interest and all his rights under such contracts, and of all the lands located by him with college scrip, and paying at once in cash to the Comptroller the full amount of Cornell's bonds to the State, principal and interest, and henceforward assuming the burden of the care, management, and sale of such lands." This proposition was approved by the Commissioners of the Land Board and the formal transfer of the lands from Mr. Cornell to the University took place on Oct. 13, 1874. The purpose of the transfer was to assure proper management of the lands after Mr. Cornell was no longer able to care for them; that this transfer came none too soon is attested by Mr. Cornell's death, which occurred on December 9, 1874.

In taking over these unsold lands, it was necessary that the University should make arrangements to settle with Mr. Cornell for the land expenses which he had met from his own fortune. Mr. Cornell's account was as follows:

Total pay'ts for scrip, location, examinations, and all expenses for taxes, interest, etc.	$720,438.36
Total receipts from sales of land, timber, and interest on same	146,583.64
Balance due Ezra Cornell	$573,854.72

This sum was paid principally from the proceeds of the sale of 100,000 acres which had just been closed for the sum of $400,000 (see p. 34), the balance being taken from the Cornell Endowment Fund.

MANAGEMENT OF THE UNIVERSITY.

Up to the time of the transfer, the land transactions had been conducted by Ezra Cornell, William A. Woodward, who had charge of the locations, management, and sale of lands, and Henry C. Putnam of Eau Claire, who looked after the details of location, tax paying, etc. These parties all kept separate accounts and there was no central office and no complete system of records at any one place.

Upon the transfer of the lands to the University the correspondence, such records as had been kept, tax receipts, and other documents relating to the location, examination, sale, and management of lands were given over to the Treasurer of the University. All of this material was in the utmost confusion, much of it having been dumped into huge baskets and left in that form, and it became necessary to classify this mass of documents and from it prepare a complete set of books and records and bring them down from 1866 to the fall of 1874. This work was most ably and satisfactorily done by the Treasurer of the University and his assistants in the land department at Ithaca.

From the beginning of its control the policy of the University has been to place the lands under the general charge of a committee. On Nov. 10, 1874, the first committee, consisting of Henry W. Sage, chairman, J. B. Williams, G. W. Schuyler, John McGraw and S. D. Halliday, with F. M. Finch acting as attorney of the University, was appointed with power to dispose of the Western lands belonging to the University, and with instructions to report all transactions to the Executive Committee as they took place and at each meeting of the Trustees for approval.

A land department was established in connection with the office of the Treasurer of the University at Ithaca, where all the records were kept and where all the business connected with the sale and management of the lands was carried on,

the Treasurer having an assistant in the person of Mr. Gratz Van Rensselaer, appointed especially to look after the details of land transactions. Mr. Van Rensselaer continued in this capacity until 1882, when Mr. Horace Mack who holds the position at the present time was appointed to succeed him. A land office was also established at Eau Claire, Wis., with Mr. H. C. Putnam in charge, to look after taxpaying, collections, and similar details, and to receive applications for land and timber and forward the same to the office of the Treasurer of the University, where all prices were fixed and papers executed, under the direction of the Land Committee. On Sept. 7, 1876, Mr. Smith Robertson was appointed Land Agent at Eau Claire, the appointment to take effect Nov. 1, and on Oct. 21, the resignation of Mr. Putnam was accepted. Mr. Robertson continued in charge of the office until the winter of 1900 when, on account of advanced age, he was relieved of his duties, and Mr. Charles McArthur appointed in his place. Mr. McArthur held this position up to April, 1904, when, on account of the small amount of lands remaining unsold, the Eau Claire office was closed upon the recommendation of the Land Committee, in order to reduce expenses.

In addition to the office force an expert woodsman was kept in the forests, whose duty was to see that parties lumbering on adjoining lands did not cut over the line into Cornell timber, to report all trespass, fire, and windfall, and to re-examine the lands from time to time, so as to keep the Cornell University record down to date. This service was most satisfactorily rendered by Mr. Daniel Fitzhugh, of Eau Claire, until 1885, when he resigned and Mr. L. V. Ripley took charge of the work and continued as long as the services of a woodsman were required. The energy, loyalty, and efficiency of these officers, in their various capacities, contributed largely to the success which attended the management and sale of the lands.

The Land Committee appointed on Nov. 10, 1874, retained charge of the lands until June 20, 1877 when, by resolution of the Board of Trustees, it was abolished and its duties transferred to the Executive Committee of the Board of Trustees. This arrangement continued, important matters being referred to Special Committees to report on, until Feb. 1, 1887, when a Land Committee, consisting of H. W. Sage, chairman, Judge Boardman, and Treasurer E. L. Williams, was appointed. In Sept., 1891, Wm. H. Sage was appointed on the Committee to fill the vacancy caused by the death of Judge Boardman and after the death of Mr. H. W. Sage, in Sept., 1897, and the removal of Wm. H. Sage from Ithaca, a new committee consisting of S. D. Halliday, chairman, A. B. Cornell, and Treasurer E. L. Williams, was appointed and continued until Oct. 24, 1903, when, upon the recommendation of the chairman, the committee was discontinued and its duties referred to the Executive Committee.

SALES OF TIMBER AND LAND.

For many years following the location of the timber lands there was very little demand for them at any reasonable price. Such a vast quantity of timber was in sight that the impression prevailed that the supply was inexhaustible, and the policy of the mill owners was to buy only as they needed timber to cut, thus forcing land owners to face the problem of carrying the lands, paying taxes and guarding against trespass indefinitely, or to accept such prices as the mill owners were willing to offer.

The charges for taxation were specially heavy. The tax officials of Wisconsin put almost the entire burden of taxation upon non-residents, and frequent legal contests were necessary to prevent excessive taxing of the University lands. During the years 1875-1880 the taxes alone upon these lands amounted to $198,458, an average of $33,076 per year for six years.

Other expenses ran the average yearly cost of carrying the lands, including the amounts paid on the Woodward Suit and for interest, up to $71,469. During this same period the average yearly sales were only $76,813, being only barely sufficient to carry the lands. In fact, on June 1, 1881, the total expenses had amounted to $1,062,407, while the sales had only brought in $991,950, leaving a deficit of $70,457. And the most discouraging feature was that during these years there had been very little increase in the market value of the lands.

A continuation of these conditions meant a very small profit as a result of all these years of labor and it is not surprising that when, in the fall of 1880, advances were made by a New York Syndicate, looking to the purchase of the remaining timber lands, viz., 275,000 acres for $1,250,000, the majority of the Board of Trustees were in favor of selling for that sum. Mr. Sage alone was opposed, his experience in the land and lumber business gave him faith in the future value of the lands. During the discussion at a meeting of the Executive Committee he said, "If I was not a member of this board, so that I would be free to deal with the University, I would pay more than that sum for these lands." Other trustees, however, strongly urged the necessity of funds to develop the University, one of them going so far as to make the statement that $1,250,000 at that time was worth more than five times that amount five or ten years later, as the University was dropping hopelessly behind for want of funds. Mr. Sage finally yielded to these pleas and the company was given an option for thirty days upon all of the lands for the sum of $1,250,000. At its expiration the option was extended for an additional thirty days; this was also allowed to expire and an application made for a further extension. This second extension was granted, but the price was raised to $1,500,000 and this in view of the uncertainty of the syndicate, was sufficient to prevent the sale, and the whole matter was dropped.

The need of more funds for developing the University had been so forcibly urged, however, that Mr. Sage, in order to prevent the sacrifice of the lands devised the scheme of capitalizing them into a fund of $1,000,000 and charging them with the interest upon this sum annually. The sum thus obtained, viz., $50,000, was transferred to University income and was to be taken from sales of land or timber. This, of course, was only paper income for, as shown above, the total sales up to that time had not equalled the expenses, but Mr. Sage's faith in the future value of the lands was great and he declared that in the next few years they would increase in value far beyond the cost of carrying them, even with the interest charge added. As will be seen later this great faith was fully justified. The capitalization plan was followed for two years, viz., 1880-81, when $50,000 was charged to the land account, and in 1881-82, when $64,000 was so charged, these sums being carried over to University income.

About this time the reports contained in the forestry section of the Census of 1880 became public. Among them were estimates of the amount of standing white pine in the four principal pine states, namely, Pennsylvania, Michigan, Wisconsin, and Minnesota, and estimates of the amounts cut in these states during the previous year. The total amount of standing white pine in these states on May 31, 1880, was estimated at 85,970,000,000 feet; the amount cut during the year ending May 31, 1882, was placed at 7,415,507,000 feet. If this rate of cutting were to continue the prospect was that the entire supply of white pine would be exhausted in about 12 years.

This report was, of course, based upon the plan of cutting then followed, viz., no log under 12 inches being merchantable. Closer cutting, economy, and the discovery of new tracts has lengthened the life of the white pine timber far beyond the period named by the commissioners, but at that time the report made a great impression upon the

minds of men who had hundreds of thousands of dollars invested in mill properties. They saw that in order to protect their investments in saw mills, it would be necessary to control timber for future years' cutting, and they immediately began purchasing large tracts tributory to the streams upon which their mills were located. This created an immense demand and competition for timber, which was of great advantage to the land owners.

The University first felt the benefit of this increased demand in September, 1881, when representatives of the firm of Knapp, Stout & Co. of Menomonee, Wis., appeared at Ithaca and in a few hours made a contract for the purchase of 30,998.97 acres of land for $477,550.00. This sale was based upon a charge of $2.00 per M ft. for the pine timber, the land being thrown in. This was the largest sale in amount and the highest price per M ft. for timber which had been heard of up to that time, and when announced caused a great deal of excitement in land and timber circles.

But this was only the beginning. In August, 1882, a contract was made with the Chippewa Logging Company, of Chippewa Falls, Wis., for the sale of 109,600.66 acres of land for $1,841,746.00, this sale being based upon $3.00 per M ft. for the pine timber and 50 cents per acre for the land. Widespread comment was caused, not only because of the amount involved, but also on account of its being the first instance where a charge was made for the land, previous sales of timber having always been considered as including the land. These two transactions becoming known, started a lively competition for the purchase of timber by mill owners all over the Northwest, and during the two years, Jan. 1, 1881, to Jan. 1, 1883, the University sold 170,939 acres of land for $2,644,564, and the pine timber from 14,638 acres for $98,605, an aggregate of $2,743,169. The price for pine timber had been steadily advanced to $3.50, $4.00, and even $5.00 per M ft., so that within a period

of two years after the option for the sale of the whole body of timber lands for $1,250,000 had expired, the University had sold about two-thirds of the lands for more than double the amount of the option for the whole.

During the years previous to this increase in value, the University was about the only owner that paid taxes upon its lands after the timber had been removed, the uniform practice being to abandon the land and allow it to go back to the state for taxes. The policy of the University proved very profitable. As timber increased in value and lumbermen began taking timber of smaller size and poorer quality than formerly, timber licenses were sold for a second cutting, and after a few years for a third cutting, on many of these lands. In some instances the second and third cuttings each sold for more than the first, by reason of the larger amount of this class of timber and the increased price it commanded.

The steady increase in market value of timber forced lumbermen to cut the land closer and to take smaller logs than formerly, so that the size of a merchantable log dropped from 14 to 12 and 10 and later even to 8 inches. Sometime before this the Land Committee had felt that the estimates of timber on University lands, made in 1872, were too low, and to make up for low estimates and for growth in the meantime, endorsed upon all of the land plats a memorandum to the effect that selling estimates were 25 per cent added to the estimates shown on the books. This was made known to purchasers and sales were made on that basis.

In 1885 it was thought wise to have a systematic re-examination of the land, and Mr. L. V. Ripley, of Eau Claire, Wis., and a corps of assistants were employed for that purpose. This work was most carefully and efficiently done, and resulted in the addition of many thousands of dollars to the University from the higher prices for which the lands were sold. The reports included not only the amount, size, and quality of white pine, but also the amount and size of Norway pine,

hemlock, oak, birch, maple, elm, ash, and other kinds of timber and the number of telegraph poles, R. R. ties, fence posts, and cords of wood, and gave the lay of the land and character of the soil, so that in the office at Ithaca, by studying the streams and railroads and nearness of timber to transportation, every condition effecting the value of the land might be known. This examination also resulted in a large increase in the estimate of white pine upon the lands. Many tracts which in 1872 had been reported to contain no merchantable pine were found to be heavily timbered, owing partly to the growth during the intervening years and partly to the fact heretofore mentioned that the size of merchantable logs had been reduced, so that timber that was of no value in 1872 was merchantable and commanded a good price in 1885.

Great care was exercised in the fixing of prices. When an application was received by the Treasurer of the University, a study was made of each individual forty acres involved, a list taken of the amount, size and quality of each kind of timber, and any items effecting the value noted. Consultation was then had with the Chairman of the Land Committee as to the price to be fixed. Mr. Sage's advice was to show proper respect for the property by asking something for it; if one did not put a full value on the property, he would not get it.

As an illustration of the results of following this policy, we may take the socalled Penoke group, consisting of 24,900 acres in Ashland and Iron counties, on the extreme northern edge of the University lands and nearly fifty miles north of the point where the bulk of logging operations were being carried on in the seventies. The estimates of 1872 gave 67,633,000 ft. of pine on this tract. The first recorded offering of the tract as a whole was on Oct. 1, 1879, at $5.50 per acre or $142,450 for the land and timber. This offer was renewed to various parties during the succeeding year

and was universally rejected as too high. On Jan. 31, 1881, the price was increased to $8 per acre or $207,200 and on March 15, 1881, to $222,000. On March 20, 1882, the decision had been reached to add 25 per cent to the estimates of pine timber, and the price was raised to $325,000, the estimate of pine having been increased to 84,524,000 ft. Objection was made by applicants that the Bad River, to which the timber was tributory, was very rocky and that there were several rapids and falls that would have to be improved at large cost before the timber could be driven out. Mr. Sage always replied, "Stick to your price; some one will want this timber before long at a fair price." On Sept. 21, 1882, the price was fixed at $369,289, a basis of $4.00 per M for timber, and $1.25 per acre for the land. On Feb. 9, 1885, the price was raised to $390,600 for the pine timber, the University reserving the land and hardwood.

During the year 1885-86 this tract was reached in the re-examination then being made, and reports gave an aggregate of 97,758,000 ft. of high grade pine. The price was immediately increased and on June 28, 1887, the pine timber alone on this 24,900 acres was sold for $513,689.00, the University retaining the land and all timber except the pine. This tract forms a part of the unsold lands at the present time and is valued at $5.00 per acre, which, if obtained, will make a total of $643,189 for land that was offered in 1879 for $142,450. This, although the largest in amount, is not an isolated case; in fact, the same policy governed all the University transactions. The settlement, of the State of Wisconsin, building of railroads, improvement of streams, and all conditions affecting values were closely followed and prices regulated accordingly.

POSITION OF CORNELL ENDOWMENT FUND AND COLLEGE LAND SCRIP FUND IN RELATION TO THE UNIVERSITY AND THE STATE.

In the eighties an event occurred which brought out more clearly the relation of the Cornell Endowment Fund to the University; that event was the McGraw-Fiske Will contest. Although of importance to our subject only because of its bearing upon the Cornell Endowment Fund, a brief account of the whole matter may not be out of place. The facts are that Mrs. Jennie McGraw Fiske, a daughter of John McGraw, who had been one of the early benefactors of Cornell, died on Sept. 30, 1881, and by the terms of her will, left the greater part of her large fortune to Cornell University, to be used for the foundation of the library. This money was estimated to amount to about a million and a quarter of dollars.

Unfortunately the University never received the money. Mrs. Fiske's husband, Prof. Willard Fiske, instituted legal proceedings to annul that part of the will which gave the bulk of her fortune to the University. His claim was based chiefly upon Sec. 5 of the charter of Cornell University, which provides that "the Corporation hereby created may hold real and personal property to an amount not exceeding $3,000,000 in the aggregate," contending that the University already held property to the full limit of the $3,000,000 and hence could not take any more. The University claimed, among other things, that it did not hold, "within the meaning of the limitation clause of the charter, any of the proceeds or avails of land scrip issued to the State of New York under the Morrill Act of 1862 and that, deducting such proceeds, the limits of its charter would not be exhausted by the entire bequests to it by Mrs. Fiske."

It soon became evident that the main question was whether or not the University actually held the property, whose pro-

ceeds come under the heading of the Cornell Endowment Fund. This fund was formerly in the entire possession of the state, but on May 18, 1880, all the securities, moneys, and contracts which constituted the fund had been transferred to the University. The University contended, however, that the entire proceeds of the Land Grant, including the Cornell Endowment Fund, in reality belonged to the State and that Cornell University had only a conditional right to the income, based upon compliance with certain requirements laid down by the state. On the other side, among other things, it was contended that the Cornell Endowment Fund belonged entirely to the University. This was the view taken by the courts, for the University lost its case in the Supreme Court and Court of Appeals and, finally, on an appeal to the Supreme Court of the United States.

The result was that the bequest was lost to the University. From our point of view the importance of the decision lies rather in the fact that the position of the Cornell Endowment Fund was definitely settled; it belonged entirely to the University and could be used in any way that institution desired, being subject to none of the restrictions of the Land Grant Act.

The position of the Cornell Endowment Fund was thus finally determined, but there still remained a difference of opinion over the College Land Scrip Fund. The chief difficulty arose over the question of charging the revenue of the fund with the premiums paid on investments. The Act of 1862 had provided (sec. 3), "That all the expenses of management, superintendence, and taxes from date of selection of said lands previous to sale, and all expenses incurred in the managment and disbursements of the moneys which may be received therefrom, shall be paid by the states to which they may belong, out of the treasury of said state, so that the entire proceeds of the sale of said lands shall be applied, without any diminution whatever, to the purposes

hereinafter mentioned." The Act had also provided (sec. 4) that these moneys should be invested in some safe stocks, "yielding not less than five per centum upon the par value of said stocks," and (sec. 5) that "if any portion of the fund invested, as provided by the foregoing section, or any portion of the interest thereon shall, by any action or contingency, be diminished or lost, it shall be replaced by the State to which it belongs, so that the capital of the fund shall remain forever undiminished." When New York State accepted the grant in 1863, it agreed to these conditions.

In the investment of the moneys, after the sale of the scrip, perfectly legitimate expenses were incurred for the premiums paid on bonds. In 1882, $238,394.81 was paid for the purchase of $200,000 of U. S. bonds, the excess of $38,394.81 including premiums, interest, and commissions. This latter sum was charged as a payment out of the revenue account, that is, it was to be deducted from the revenue which the University should receive as interest from the fund, and the Comptroller announced that no more payments would be made to Cornell University from the future income of the fund "until after the revenue therefrom shall have first made good the revenue accounts for the drafts made upon it as stated above for interest, premiums and commissions on investments already made."

The University claimed that it was entitled to an income of 5 per cent upon the whole of the fund, and that all expenses incurred in the investment of the fund should be met by the state. In order to settle the matter, a mandamus procedure was instituted against the Comptroller to recover the revenue which had been withheld from the University in order to pay these expenses of investment. The Court of Appeals decided, on Jan. 14, 1890, that moneys which had been spent in the payment of premiums for investments "are expenses connected with the management and maintenance of the fund, which should be made good by the state by an

appropriation from its treasury." The University was thus declared entitled to the whole income from the entire proceeds of the fund. In accordance with this decision the legislature, in the following year, appropriated $89,383.66 to the University, this being the total amount of the income which had been withheld from the University by the action of the Comptroller.

The question still remained undecided, however, as to whether the State was bound to pay to the University an income of 5 per cent upon the fund, in case investments could not be secured at that rate. The remarks of the Judge writing the opinion of the Court in the above case, also in the McGraw-Fiske case (111 N. Y. 66) made the duty of the state very clear in this matter and in 1894 the legislature passed an act agreeing to take over the fund into the State treasury and pay 5 per cent on it to the University. This act was vetoed but a similar act, passed the following year, became a law. The securities in which the fund was invested were then sold and the proceeds became a part of the general fund of the state. A certificate for $688,576.12, bearing interest at 5 per cent, was then issued to the University and thus a permanent 5 per cent investment of the fund was secured. The following is a full copy of that interesting and very valuable document:

No. 1. $34,428.80.

STATE OF NEW YORK,

COMPTROLLER'S OFFICE.

ALBANY, Oct. 1, 1895.

The COMPTROLLER having sold and converted into cash the securities constituting the fund known as the COLLEGE LAND SCRIP FUND, pursuant to the provisions of Chapter 78 of the laws of 1895, and having credited the amount of COLLEGE LAND SCRIP FUND, being the sum of six hundred and eighty-eight thousand, five hundred and seventy-six dollars and

twelve cents ($688,576.12) to the GENERAL FUND as in said act provided.

It is hereby certified that the STATE OF NEW YORK will pay to the CORNELL UNIVERSITY, annually hereafter, so long as the said CORNELL UNIVERSITY shall comply with the provisions of Chapter 460 of the laws of 1863, and acts amendatory thereof and supplemental thereto, and of the act of Congress therein referred to, the sum of thirty-four thousand, four hundred and twenty-eight dollars and eighty cents, being five per cent of the proceeds thus credited to the GENERAL FUND in the STATE TREASURY.

JAMES A. ROBERTS,

(Seal). *Comptroller.*

COMPARISONS WITH PROCEEDS OF GRANT IN OTHER STATES.

At the present time the entire net amount realized by Cornell University from the Land Grant Act is estimated at $5,764,786.67, or $5.823 per acre of scrip received. Of this sum only $688,576.12 is credited to the College Land Scrip Fund; the remainder represents the proceeds from the Cornell Endowment Fund. A comparison of the amount of money which New York State realized from her share of the land scrip, and the amounts which other states realized from their shares, may show something of the skill with which the New York State scrip was managed. The amount of scrip which New York received was about 1-10 of the whole; the amount of money which the state realized was about 1-3 of the whole. When we recall the facts that the average amount per acre realized by the states from their scrip was only $1.65, that only two other states (Kansas $5.57 and California $5.14) received over $5.00 an acre, and only one other state (Minnesota $4.39) over $3.00 per acre, while some states (R. I. $.41 and Nebraska $.49) realized less than 50

cents per acre, we can understand something of what Cornell University owes to those who so skillfully attended to the management of her scrip and lands.

It should be noted also that but few States owned public lands subject to entry with this scrip within their own borders. Two of these were Kansas and California, and the amount realized per acre in those States, as stated above, came from the fact that they fortunately located their lands within their own States. In no State other than New York did there ever appear a benefactor like Ezra Cornell, who located the lands for the sole benefit of the beneficiary.

These figures regarding the other states are taken from the History of the Ag. College Land Grant, published in 1890. Some few changes may have taken place since that time, but the figures are undoubtedly substantially correct.

DISPOSITION OF SCRIP RECEIVED BY NEW YORK STATE.

Pieces sold by Comptroller	2862
Pieces sold by Woodward	52
Pieces lost in the mails	14
Pieces left on hand when full am't according to law had been located in Wis.	2
Pieces located in behalf of University on 511,069,-.53 acres	3257
Total No. of pieces rec'd by N. Y. State	6187

Fourteen pieces of scrip were lost, presumably in the mail. A copy of the letter from the Land Office at Warsaw, Wis., enclosing the scrip to H. C. Putnam at Eau Claire was the last trace found. Mr. Putnam had no record of having received them, but claimed that if received, he had forwarded them to Mr. Woodward, as was his custom in such cases. Owing to the feeling engendered by the suit with the University, Mr. Woodward refused to make affidavit that he had not

received the scrip, hence the University was unable to get duplicate copies from the land office at Washington.

When the land records and papers were turned over to the University by Mr. Cornell and Mr. Woodward in the fall of 1874, two pieces of scrip were found which had not been sold or located. There was no land in the Central Western states at that time, subject to entry with Agricultural College Scrip, and these two pieces of scrip are still in the possession of the University.

The 3257 pieces of scrip actually located at 160 acres each would have represented 521,120 acres. The shortage in acres located is accounted for by the fact that a piece of scrip had to be surrendered for each location, whether a full quarter section or not. Frequently an eighty or hundred and twenty acre tract would be found so well timbered that it was more valuable than any full quarter in sight, and would be located with a full piece of scrip.

LOCATION OF LAND.

Wisconsin	3182 pieces	499,126.33 acres
Minnesota	50 pieces	7,968.27 acres
Kansas	25 pieces	3,974.93 acres
	3257 pieces	511,069.53 acres
Land purchased by Mr. Cornell and conveyed to the Univ. with that located with Ag. Coll. Land Scrip.....		1,359.40 acres
Total		512,428.93 acres

COLLEGE LAND SCRIPT FUND.

Total sale of scrip, including scrip sold Ezra Cornell	$603,002.87
Premium rec'd on sale of securities when fund was converted into the certificate	85,573.25
Total of College Land Scrip Fund for which the University holds the perpetual bond of the State of N. Y. at 5 per cent annual interest.	$688,576.12

RECEIPTS, EXPENSES AND NET PROFITS.

RECEIPTS.

Land	$4,385,708.22
Timber	2,211,616.59
Trespass collected	20,063.90
Hay sold	4,136.14
Rent on farm land	758.05
	$6,622,282.90
College Land Scrip Fund	$688,576.12
Land unsold at $5.00 per acre	166,112.45
Total, sales and land unsold	$7,476,971.47

EXPENSES.

Paid for Land Scrip	$309,200.00
W. A. Woodward, account location exp	160,831.42
Woodward suit expenses	25,085.52
Taxes	640,070.66
Land examination	43,577.50
Interest	329,039.70
Salaries	146,219.93
Commission on sales	14,597.87
Traveling expenses	7,893.62

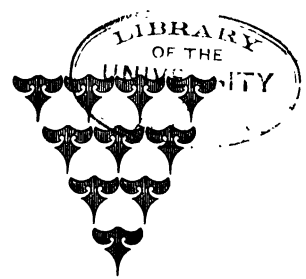
Maps, books and stationery	1,888.28
Stamps and postage	1,149.13
Surveying	762.24
Attorney's fees and expenses	3,647.41
Exchange	640.72
Profit and loss	1,520.59
Location not through Woodward account	845.50
Legislative investigation	1,584.50
Paid Viles and Davis for land sold which was afterwards decided to be within R. R. limit, and C. U.'s entry canceled	1,400.00
Advertising	94.50
Contingent and unclassified expenses	22,135.71
Total expenses	$1,712,184.80
Total sales and value of unsold lands	$7,476,971.47
Expenses	1,712,184.80
Net profit	$5,764,786.67*

* Net results to date, figuring the 33,222.49 acres of cut over lands still unsold at an average of about $5.00 per acre.

It is worthy of note that in the management and sale of this land and timber, covering a period of nearly forty years, and an aggregate sum of nearly $7,500,000, the only business loss sustained was on two notes of $750.00 each, for sales of timber made by Mr. Woodward before the lands were transferred to the University. These notes were assigned to the University Treasurer and were found to be worthless. After repeated efforts to collect them, the amount of $1,500.00 was charged to profit and loss. During all these years not an acre of the University lands was lost through tax sales or any other cause. This shows remarkable care on the part of those having these matters in charge, as many of the Wisconsin tax officers were settlers ignorant of business methods, and the loss of land through mistakes in preparing tax receipts was not uncommon with other land owners.

EZRA CORNELL.

First, foremost and at all times the credit of this land scheme is due to Ezra Cornell. It was he who first conceived of the plan of thus increasing the endowment of Cornell. For nearly ten years before his death he devoted much of his time and energies and considerable of his fortune towards the carrying out of this scheme, but men are mortal and life proved too short for the complete execution of his purposes. Next to Ezra Cornell, and only next to him will always stand the name of Henry W. Sage as the man who is entitled to credit for the good results following from the plan entered upon by the Founder. In 1874 Mr. Sage, as Chairman of the Land Committee, entered upon the work of carrying out the plans of Ezra Cornell. From 1874 until his death, a period of nearly twenty years, the lands of the University located by Ezra Cornell were under his constant care and supervision, and when he died the scheme of Ezra Cornell had passed beyond all possibilities of a failure. After his death there was but little for the Land Committee to do except to watch and care for the remaining lands according to the methods firmly established by Mr. Sage; never asking less and sometimes increasing the prices fixed by Mr. Sage before his death. Today these lands are all sold except a comparatively few acres of cut over lands, which are now increasing in value and will soon be disposed of.


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